

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining JOHN R. BAZA

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Division Director

January 24, 2011

Wayne S. Smith Utah Sand and Gravel North Salt Lake 2596 Fairway Circle Bountiful, Utah 84010

Subject: Reclamation Surety Required, Utah Sand and Gravel LLC, Utah Sand and Gravel North Salt

Lake Mine, S/035/0045, Salt Lake County, Utah

Dear Mr. Smith:

The referenced Notice of Intent to Commence Small Mining Operations (NOI), received by the Division on January 19, 2011, is complete <u>with the exception of the reclamation bonding requirement</u> <u>and the operations map.</u> The reclamation surety is determined to be either \$25,000 for a 3 year escalation or \$25,100 for a 5 year escalation. This was determined based on:

| Small Mine Operation Bond Calculation Worksheet S/035/0045 | | | |
|---|-----|------------------|-------------------|
| 3-year escalation (2013) | | | |
| Item | Qty | Unit Cost | Total Cost |
| 1st Acre Disturbance | 1 | \$7,400.00 | \$7,400.00 |
| Add'l Acres Disturbance | 4 | \$4,400.00 | \$17,600.00 |
| TOTAL | 5 | | \$25,000.00 |
| 5-year escalation (2015) | | | |
| Item | Qty | Unit Cost | Total Cost |
| 1st Acre Disturbance | 1 | \$7,500.00 | \$7,500.00 |
| Add'l Acres Disturbance | 4 | \$4,400.00 | \$17,600.00 |
| TOTAL | 5 | | \$25,100.00 |

Please submit the **reclamation surety** and **reclamation contract** within the next 30 days. No mining related disturbance can be created until the surety is received and approved, and you have received written acceptance from this office as well as other applicable agencies.

The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at (801) 538-5291 or e-mail bondcoordinator@utah.gov for assistance in completing this requirement.

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Please submit a new operations map with the proper scale, as noted above. The scale bar is not one inch as the text notes. Please resubmit the map with the proper scale.

Please note that the Division has sent a copy of the SWCA cultural resources report to State History, and a copy of the letter is attached.

Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have any questions regarding this letter. In reply please refer to file number S/035/0045.

Sincerely,

Paul B. Baker

Minerals Program Manager

PBB:lah:pb

Enclosure: Letter sent to SHPO